

“(II) the buildings be designed, to the extent economically feasible and technically practicable, so that the fossil fuel-generated energy consumption of the buildings is reduced, as compared with the fossil fuel-generated energy consumption by a similar Federal building in fiscal year 2003 (as measured by Commercial Buildings Energy Consumption Survey or Residential Energy Consumption Survey data from the Energy Information Agency), by the percentage specified in the following table:

Fiscal Year	Percentage reduction
2007	50
2010	60
2015	70
2020	80
2025	90
2030	100;

and”.

SEC. 267. APPLICATION OF INTERNATIONAL ENERGY CONSERVATION CODE TO PUBLIC AND ASSISTED HOUSING.

Section 109 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12709) is amended—

(1) in subsection (a)(1)(C), by striking, “, where such standards are determined to be cost effective by the Secretary of Housing and Urban Development”;

(2) in subsection (a)(2)—

(A) by striking “the Council of American Building Officials Model Energy Code, 1992” and inserting “2006 International Energy Conservation Code”; and

(B) by striking “, and, with respect to rehabilitation and new construction of public and assisted housing funded by HOPE VI revitalization grants under section 24 of the United States Housing Act of 1937 (42 U.S.C. 1437v), the 2003 International Energy Conservation Code”;

(3) in subsection (b)—

(A) in the heading, by striking “MODEL ENERGY CODE.—” and inserting “INTERNATIONAL ENERGY CONSERVATION CODE.—”;

(B) after “all new construction” in the first sentence insert “and rehabilitation”; and

(C) by striking “, and, with respect to rehabilitation and new construction of public and assisted housing funded by HOPE VI revitalization grants under section 24 of the United States Housing Act of 1937 (42 U.S.C. 1437v), the 2003 International Energy Conservation Code”;

(4) in subsection (c)—

(A) in the heading, by striking “MODEL ENERGY CODE AND”; and

(B) by striking “, or, with respect to rehabilitation and new construction of public and assisted housing funded by HOPE VI revitalization grants under section 24 of the United States Housing Act of 1937 (42 U.S.C. 1437v), the 2003 International Energy Conservation Code”;

(5) by adding at the end the following:

“(d) FAILURE TO AMEND THE STANDARDS.—If the Secretaries have not, within 1 year after the requirements of the 2006 IECC or the ASHRAE Standard 90.1-2004 are revised, amended the standards or made a determination under subsection (c) of this section, and if the Secretary of Energy has made a determination under section 304 of the Energy Conservation and Production Act (42 U.S.C. 6833) that the revised code or standard would improve energy efficiency, all new construction and rehabilitation of housing specified in subsection (a) shall meet the requirements of the revised code or standard.”;

(6) by striking “CABO Model Energy Code, 1992” each place it appears and inserting “the 2006 IECC”; and

(7) by striking “1989” each place it appears and inserting “2004”.

SEC. 268. ENERGY EFFICIENT COMMERCIAL BUILDINGS INITIATIVE.

(a) DEFINITIONS.—In this section:

(1) CONSORTIUM.—The term “consortium” means a working group that is comprised of—

(A) individuals representing—

(i) 1 or more businesses engaged in—

(I) commercial building development;

(II) construction; or

(III) real estate;

(ii) financial institutions;

(iii) academic or research institutions;

(iv) State or utility energy efficiency programs;

(v) nongovernmental energy efficiency organizations; and

(vi) the Federal Government;

(B) 1 or more building designers; and

(C) 1 or more individuals who own or operate 1 or more buildings.

(2) ENERGY EFFICIENT COMMERCIAL BUILDING.—The term “energy efficient commercial building” means a commercial building that is designed, constructed, and operated—

(A) to require a greatly reduced quantity of energy;

(B) to meet, on an annual basis, the balance of energy needs of the commercial building from renewable sources of energy; and

(C) to be economically viable.

(3) INITIATIVE.—The term “initiative” means the Energy Efficient Commercial Buildings Initiative.

(b) INITIATIVE.—

(1) IN GENERAL.—The Secretary shall enter into an agreement with the consortium to develop and carry out the initiative—

(A) to reduce the quantity of energy consumed by commercial buildings located in the United States; and

(B) to achieve the development of energy efficient commercial buildings in the United States.

(2) GOAL OF INITIATIVE.—The goal of the initiative shall be to develop technologies and practices and implement policies that lead to energy efficient commercial buildings for—

(A) any commercial building newly constructed in the United States by 2030;

(B) 50 percent of the commercial building stock of the United States by 2040; and

(C) all commercial buildings in the United States by 2050.

(3) COMPONENTS.—In carrying out the initiative, the Secretary, in collaboration with the consortium, may—

(A) conduct research and development on building design, materials, equipment and controls, operation and other practices, integration, energy use measurement and benchmarking, and policies;

(B) conduct demonstration projects to evaluate replicable approaches to achieving energy efficient commercial buildings for a variety of building types in a variety of climate zones;

(C) conduct deployment activities to disseminate information on, and encourage widespread adoption of, technologies, practices, and policies to achieve energy efficient commercial buildings; and

(D) conduct any other activity necessary to achieve any goal of the initiative, as determined by the Secretary, in collaboration with the consortium.

(c) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There are authorized to be appropriated such sums as are necessary to carry out this section.

(2) ADDITIONAL FUNDING.—In addition to amounts authorized to be appropriated under paragraph (1), the Secretary may allocate funds from other appropriations to the initiative without changing the purpose for which the funds are appropriated.

Subtitle F—Assisting State and Local Governments in Energy Efficiency

SEC. 271. WEATHERIZATION ASSISTANCE FOR LOW-INCOME PERSONS.

Section 422 of the Energy Conservation and Production Act (42 U.S.C. 6872) is amended by striking “\$700,000,000 for fiscal year 2008” and inserting “\$750,000,000 for each of fiscal years 2008 through 2012”.

SEC. 272. STATE ENERGY CONSERVATION PLANS.

Section 365(f) of the Energy Policy and Conservation Act (42 U.S.C. 6325(f)) is amended by striking “fiscal year 2008” and inserting “each of fiscal years 2008 through 2012”.

SEC. 273. UTILITY ENERGY EFFICIENCY PROGRAMS.

(a) ELECTRIC UTILITIES.—Section 111(d) of the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. 2621(d)) is amended by adding at the end the following:

“(16) INTEGRATED RESOURCE PLANNING.—Each electric utility shall—

“(A) integrate energy efficiency resources into utility, State, and regional plans; and

“(B) adopt policies establishing cost-effective energy efficiency as a priority resource.

“(17) RATE DESIGN MODIFICATIONS TO PROMOTE ENERGY EFFICIENCY INVESTMENTS.—

“(A) IN GENERAL.—The rates allowed to be charged by any electric utility shall—

“(i) align utility incentives with the delivery of cost-effective energy efficiency; and

“(ii) promote energy efficiency investments.

“(B) POLICY OPTIONS.—In complying with subparagraph (A), each State regulatory authority and each nonregulated utility shall consider—

“(i) removing the throughput incentive and other regulatory and management disincentives to energy efficiency;

“(ii) providing utility incentives for the successful management of energy efficiency programs;

“(iii) including the impact on adoption of energy efficiency as 1 of the goals of retail rate design, recognizing that energy efficiency must be balanced with other objectives;

“(iv) adopting rate designs that encourage energy efficiency for each customer class; and

“(v) allowing timely recovery of energy efficiency-related costs.”.

(b) NATURAL GAS UTILITIES.—Section 303(b) of the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. 3203(b)) is amended by adding at the end the following:

“(5) ENERGY EFFICIENCY.—Each natural gas utility shall—

“(A) integrate energy efficiency resources into the plans and planning processes of the natural gas utility; and

“(B) adopt policies that establish energy efficiency as a priority resource in the plans and planning processes of the natural gas utility.

“(6) RATE DESIGN MODIFICATIONS TO PROMOTE ENERGY EFFICIENCY INVESTMENTS.—

“(A) IN GENERAL.—The rates allowed to be charged by a natural gas utility shall align utility incentives with the deployment of cost-effective energy efficiency.

“(B) POLICY OPTIONS.—In complying with subparagraph (A), each State regulatory authority and each nonregulated utility shall consider—

“(i) separating fixed-cost revenue recovery from the volume of transportation or sales service provided to the customer;

“(ii) providing to utilities incentives for the successful management of energy efficiency programs, such as allowing utilities to retain a portion of the cost-reducing benefits accruing from the programs;

“(iii) promoting the impact on adoption of energy efficiency as 1 of the goals of retail